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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/772,601	01/30/2001	Thomas W. Poplawski	JPM-033	1711

7590 10/06/2011  
Intellectual Property Department  
Goodwin/Procter LLP  
901 New York Avenue, NW  
Washington, DC 20001

EXAMINER
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FELTEN, DANIEL S

ART UNIT	PAPER NUMBER
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3693

MAIL DATE	DELIVERY MODE
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10/06/2011

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

1 RECORD OF ORAL HEARING  
2  
3 UNITED STATES PATENT AND TRADEMARK OFFICE  
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5  
6 BEFORE THE BOARD OF PATENT APPEALS  
7 AND INTERFERENCES  
8  
9

10 *Ex parte* THOMAS W. POPLAWSKI and KHOON-HONG TAN  
11  
12

13 Appeal 2010-007613  
14 Application 09/772,601  
15 Technology Center 3600  
16  
17

18 Oral Hearing Held: September 8, 2011  
19  
20

21 Before JOSEPH A. FISCHETTI, BIBHU R. MOHANTY, and MICHAEL  
22 W. KIM, *Administrative Patent Judges*.  
23

24 APPEARANCES:

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33

34 The above-entitled matter came on for hearing on Thursday,  
35 September 8, 2011 commencing at 1:55 p.m., at the U.S. Patent and

1 Trademark Office, 600 Dulany Street, Alexandria, Virginia, before Paula  
2 Lowery, Notary Public.

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P R O C E E D I N G S

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THE USHER: Good afternoon, Calendar Number 13, Appeal  
7 Number 2010-007613, Mr. Schreiner.

8

JUDGE FISCHETTI: Good afternoon, Counsel.

9

MR. SCHREINER: Good afternoon, members of the Board. My  
10 name is Steve Schreiner. I'm here from Goodwin Proctor here in D.C. on  
11 behalf of the Applicant, which is J.P. Morgan Chase Bank, Application  
12 Number 09/772601. This is an appeal from a final office action from June,  
13 2005.

14

There's an initial administrative issue I wanted to bring to the Board's  
15 attention. More of a procedural matter. There was an amendment after final  
16 that was submitted in September, 2005. The Appeal Briefs that Applicant  
17 filed in February, 2006, included those amended claims.

18

The Examiner's answer from June 20, 2006, indicated that the  
19 September amendment after final had been entered. So all the briefing was  
20 done based on the amendment after the amended claims pursuant to the  
21 September, 2005, amendment after final.

22

Three or four years later, the Board sent out an order asking the  
23 Examiner to clarify whether the amendment after final had been entered, and  
24 the Examiner issued an advisory action in April, 2010 -- I believe mistakenly  
25 -- indicating that the amendment after final hadn't been entered.

1 JUDGE MOHANTY: Was not entered.

2 MR. SCHREINER: Again, as I said the prior briefing, which was  
3 more contemporaneous with the amendment after final, explicitly said in the  
4 Examiner's answer that the September 13, 2005, amendment after final has  
5 been entered.

6 JUDGE MOHANTY: Okay.

7 MR. SCHREINER: The claims that the Applicant listed in  
8 Applicant's Appeal Brief were correct.

9 JUDGE MOHANTY: Okay, but the claims you filed in your claims  
10 appendix in the Brief starting at page 20, those are the correct copy?

11 MR. SCHREINER: Those are the correct copy.

12 JUDGE FISCHETTI: Correct meaning the one that was admitted to  
13 being entered prior to the most recent correspondence that said they weren't?  
14 What are we calling corrected here? What dated claims?

15 MR. SCHREINER: They are the claims that are in the Appeal Brief  
16 as Appendix A, which correspond to the amended claims submitted in the  
17 September 13, 2005, amendment after final.

18 JUDGE FISCHETTI: Which were entered at that time?

19 MR. SCHREINER: Which were indicated as entered in the  
20 Examiner's answer. I can read from the --

21 JUDGE MOHANTY: I have it here. In the Examiner's answer he  
22 says the status of the claims in the Brief is correct and that the final rejection  
23 was entered.

24 MR. SCHREINER: The amendment after final was entered.

1 JUDGE MOHANTY: That's what he said in the Appeal Brief. When  
2 he mailed the thing out, he probably hadn't seen it in a few years.

3 MR. SCHREINER: Four years had passed. I think he just made a  
4 mistake.

5 JUDGE MOHANTY: We'll go with the claims that you've got there.

6 MR. SCHREINER: The amendments to the claim were more in the  
7 way of form.

8 JUDGE FISCHETTI: Okay.

9 MR. SCHREINER: I don't believe that the nature of applicant's  
10 arguments, or the examiner's rejection, would change.

11 JUDGE FISCHETTI: Okay, go ahead.

12 MR. SCHREINER: Turning to the merits, the field is bill payment  
13 systems. Conventional bill payment systems are biller centric and provide  
14 the payer little flexibility.

15 This invention is directed to an electric bill payment system where  
16 there's electronic bill presentment, but the electronic notification is such that  
17 the payer has the option to either do an electronic payment of the bill or do a  
18 conventional paper based payment of the bill by mailing it in with a  
19 remittance slip.

20 This is accomplished by virtue of the fact that the electronic  
21 notification of the bill includes two things. It includes an address for the  
22 electronic database. So the address might be, for example, a web link, which  
23 allows the payer to go and make his or her electronic payment.  
24 But the electronic notification also includes information that is formatted for  
25 a printable remittance slip. So, basically, the payer has the option on any

1 given bill to do an electronic payment or paper payment. The payer is given  
2 the means to do so in the electronic notification itself.

3 That is very different from anything in the prior art that's of record  
4 here. I do want to emphasize what's recited in the claim is a remittance slip,  
5 not remittance data. It's important to remember that, as is well known in the  
6 art, remittance slips are pieces of paper that have particular fields and have  
7 physical formats and data items that are particular to a biller.

8 The whole goal is to allow for high speed remittance processing,  
9 typically -- but not always -- including automatic opening of the envelopes,  
10 imaging, OCR and ICR.

11 In fact, if you look at the Hilt patent, which is one of the tertiary  
12 references that was not involved in the rejection of the independent claims,  
13 the Hilt patent at Column 1, lines 27 through 47, discusses remittance  
14 processing and how if a paper payment is sent in without a proper remittance  
15 slip, it'll result in an error known as an exception item.

16 That is something that is undesirable, and that is something that  
17 creates not only errors, but significant costs to the biller. So turning now to  
18 the claims, the independent claims are Claims 1, 19, and 24. 1 and 19 are  
19 methods, Claim 24 is a system claim.

20 Claim 1 is exemplary. Claim 1 recites maintaining a billing database -  
21 - I'm going to paraphrase a little bit here for comprehensibility --  
22 maintaining a billing database containing detailed billing information with  
23 respect to at least one bill, relating to an account associated with a biller and  
24 a payer.

1       Then generating an electronic summary of the bill that includes at  
2       least a portion of the electronic summary, which is formatted in the form of a  
3       remittance slip. Then generating an electronic notification containing the  
4       electronic summary and an address through which the billing database can  
5       be accessed.

6       That third clause is key. It's saying the electronic notification -- or the  
7       e-bill, if you will -- includes both an address or link for electronic payment  
8       as well as information that's formatted for a printable remittance slip so that  
9       the payer can do a traditional paper payment if he or she desires.

10       The fourth step recites transmitting the electronic notification,  
11       wherein it's printable to serve as a remittance slip in the traditional form or  
12       payment, meaning a paper-based type payment. Thereby allowing the payer  
13       the option to choose between paying the bill electronically and paying the  
14       bill with a paper payment.

15       So distilling the differences between the invention and the prior art, I  
16       really think there's two things. First, there's an e-bill summary that's  
17       formatted in the form of a remittance slip that can be printed out and used as  
18       a remittance slip. In other words, mailed in and processed as a remittance  
19       slip should be processed.

20       Secondly, that the e-notification, the electronic bill presentment,  
21       includes the option and the means to allow the payer to select between  
22       electronic payment and traditional paper-based payment using the printed  
23       remittance slip.

24       So now we turn to the rejections. As a preliminary note, all the  
25       briefing is pre-KSR. I don't think that makes a difference. KSR, obviously,

1 said that no strict TSM requirement, we consider ordinary design, skill,  
2 market forces and the like.

3 KSR still recognized that there may be a need for an apparent need to  
4 combine. Most importantly, KSR reaffirmed the notion that teaching away  
5 is still an important consideration in the obviousness inquiry.

6 The rejections to the independent claims are based on Hazeltine in  
7 view of Hogan. Applicant's basic argument is that these two references,  
8 whether you consider them alone or whether you combine them in any  
9 fashion, simply don't teach these two key features that I mentioned.

10 Secondly, these references, as well as the tertiary references of  
11 Shutzer and Hilt -- every single one of these references teaches away from  
12 Applicant's approach of supporting paper-based payment.

13 The Hazeltine reference describes a bill and presentation of payment  
14 system where the biller data and biller format data is processed against rule-  
15 based templates so the billing entity can provide a bill that has the look and  
16 feel of a traditional paper bill.

17 Hazeltine also talks about providing that look and feel preserves the  
18 corporate identity. In essence, what Hazeltine describes is a biller centric  
19 system that allows the biller to customize the electronic bills that are  
20 displayed to a payer.

21 In Hazeltine all of the payments are e-payments or electronic  
22 payments. Nowhere in Hazeltine does he talk about the possibility of paper-  
23 based payments.

24 In fact, the Examiner's answer at page 4 acknowledged that Hazeltine  
25 did not disclose an electronic bill that could be printed out as a remittance



1 slip, nor did it disclose an electronic notification that provided the option and  
2 means for a payer to select between electronic payment and a paper-based  
3 payment.

4 I'll go a step further and state that nothing in Hazeltine speaks about e-  
5 bills being formatted as a remittance slip that can be printed out.

6 Turning to the teaching-away aspects, Hazeltine repeatedly teaches away  
7 from paper-based payments. If you look at Columns 1 and 2, Column 1,  
8 lines 55-58, Hazeltine talks about paper-based bill generation is often both a  
9 lengthy and costly process.

10 It goes on to say in Column 2, lines 22-30 that what is needed,  
11 therefore, are tightly integrated methods, devices, et cetera, for electronically  
12 presenting bills to customers.

13 It goes on to say to pay such bills without the disadvantages  
14 associated with conventional electronic payment systems and/or paper bills  
15 and checks.

16 In both cases, totally teaching away from anything other than  
17 electronic payments, and certainly teaching away from paper-based  
18 payments.

19 Then the very last paragraph of Hazeltine, this is Column 13, lines 41-  
20 54, he summarizes by saying the present invention has "several advantages  
21 over traditional paper-based bill presentation and payment schemes." He  
22 goes on to say that's by virtue of the fact that he is "foregoing paper in favor  
23 of an electronic medium."

24 So in sum Hazeltine not only fails to disclose these two key  
25 limitations I mentioned, but it clearly, I'd argue, teaches away.

1       The Examiner turns to Hogan, a secondary reference, to try to plug the  
2       gaps in Hazeltine as compared to the claimed invention. Hogan describes a  
3       bill delivery and payment system over a communications network. Just the  
4       title of Hogan suggests that both bill presentation and bill payment are going  
5       to be electronic.

6       In fact, when you review Hogan, that is the case. In Hogan the  
7       payment is always an electronic payment. There's never any  
8       e-bill formatted in Hogan with information that such a remittance slip can be  
9       printed for a paper-based submission of the payment.

10      For example, if you look at Figure 4, Hogan discloses two  
11      embodiments of the e-bill presentment. One is presenting the bill as a web  
12      page, and the other is presenting the bill as an e-mail. The web page is on  
13      Figure 4, so if you look at Figure 4 of Hogan, you'll see there's a lot of detail.  
14      In fact, there's a button that says payment options, but there's nothing  
15      remotely suggesting there's a payment option for doing a paper-based  
16      submission. There's nothing here remotely suggesting you can press a  
17      button and have a properly formatted remittance slip printed out so the  
18      consumer can make a paper-based payment.

19      Likewise, in Figure 11 of Hogan, which is his second embodiment  
20      where the bill presentment or bill notification is by an email push, you can  
21      see that there's a button down at the bottom asking whether the payer  
22      authorizes payment of the bill. That corresponds to Step 823 in Figure 8.  
23      Figure 8 goes on to describe electronic payment.

24      So, again, in Hogan's second embodiment there's no disclosure of an  
25      electronic bill that's presented that includes a principal, properly formatted

1 remittance slip, nor a notification that includes the option and the means for  
2 the payer to select between electronic payment and paper payment.

3 JUDGE FISCHETTI: Counsel, if I may interrupt you here, doesn't  
4 the specification talk about the possibility of printing out the e-mail itself  
5 and mailing it back in as a remittance slip?

6 MR. SCHREINER: I don't believe so. The Examiner refers to  
7 Column 5, Lines 1-15. This is in connection with the web page electronic  
8 bill of Hogan. It indicates that the payer —

9 JUDGE FISCHETTI: I'm sorry if I wasn't clear, I meant your  
10 specification talks about -- particularly page 12, sending back with the  
11 printed e-mail serving as a remittance slip.

12 So you're talking about this precise formatted remittance slip when  
13 your own specification talks to me about just printing out the e-mail and  
14 sending it back with the check, which I've done, by the way, on occasion.

15 MR. SCHREINER: And which results, as Hilt describes, in a  
16 processing error at the lock box where they receive all this stuff. You get  
17 the envelopes from people who have a proper remittance slip and a check,  
18 and then you have the stuff that I send in that just has a print out of the e-  
19 mail like you mention.

20 JUDGE FISCHETTI: But isn't that what you're saying on page 12  
21 there? That you can do that?

22 MR. SCHREINER: I don't think so. I think page 12 is referring to  
23 the fact that the e-mail can be printed out in such a fashion that it can act as a  
24 proper remittance forum. That's certainly what we've claimed here.

1           We've claimed an electronic summary that is in the format of a proper  
2 remittance slip. We've also claimed that the electronic notification includes  
3 two branches, one being for the payer to be able to link back for electronic  
4 payment, or the payer to print out a remittance slip for a paper payment.

5           JUDGE FISCHETTI: Okay.

6           MR. SCHREINER: I think it's pretty well spelled out in the claims.

7           JUDGE MOHANTY: I think you've argued your case as effectively  
8 as you can, but sometimes the facts of the case make it tough. I think you've  
9 argued your case very well.

10          The problem I see here is, when we go to claim construction, the first  
11 thing we look to is what is that remittance slip? I think you can make an  
12 argument that that's not functionally descriptive material, but when I look to  
13 your spec at page 12, which Judge Fischetti was mentioning, you say here  
14 that a printed e-mail could serve as a remittance form.

15          So to me I don't see anywhere in your spec where you define what this  
16 remittance form is. I think it's nonfunctional as to -- I think any bill you get  
17 that you mail in with a check could be a remittance form. You know, that's  
18 the first problem I see.

19          Then you also talk about the last line of the claim, it says: "allowing  
20 at least one payer to choose between paying at least one bill electronically or  
21 mailing the remittance slip." I mean it seems to me that's a limitation that's  
22 in the alternative.

23          So, first of all, I think the prior art does show that you could mail in  
24 this -- I think it would be obvious for anyone to mail it in with a bill.

1 Regardless, I think that claim limitation says "or". So if you could pay  
2 electronically, the limitation could be met that way as well.

3 MR. SCHREINER: You're saying the last limitation?

4 JUDGE MOHANTY: Yes.

5 MR. SCHREINER: Let me address your points in sequence if I  
6 could.

7 JUDGE MOHANTY: Yes.

8 MR. SCHREINER: As to the functional descriptive material, what I'd  
9 respectively submit is that when you printed out the electronic summary and  
10 the result is a properly formatted remittance slip, that is formatted for that  
11 particular biller so it can be processed in the appropriate way by the  
12 remittance processing system.

13 In other words, these pieces of data are here and the layout is this way.

14 That's actually quite functional and not nearly descriptive matter.

15 On the second point about the meaning of remittance slip, if you look  
16 at page 3, it talks about a copy of the summary information contained or  
17 attached to the email message is in the form of a remittance slip as is found  
18 in a traditional paper-based bill.

19 The bill recipient is able to print out the remittance slip which can  
20 then be included by the payer along with the non-electronic form of  
21 payment.

22 So when the specification is talking about a remittance slip as found in  
23 the traditional paper-based bill, it is talking about a proper remittance slip.

1           For example, I've got a credit card bill, and there's a detailed summary  
2     at the top, and there's a remittance slip at the bottom. Sometimes we call  
3     that a payment coupon.

4           If I send that remittance slip in with a check, it'll be processed  
5     correctly, and it will not result in a processing error as Hilt describes.  
6     If instead of using that slip I just take another part of the bill and throw it in  
7     there with a check, that's not a proper remittance slip; and it won't be  
8     processed correctly. It'll result in error and an exception item as Hilt  
9     describes in detail. Hilt describes it as being something that's very, very  
10    disadvantageous.

11          JUDGE MOHANTY: I understand your point. If your spec was  
12    more clear on that -- I think under the broadest reasonable interpretation I  
13    think a remittance slip is anything you attach a payment to.  
14    I'm not sure an electronic bill isn't going to include the total you have to pay,  
15    you know, what items -- I assume that would all be in an electronic bill as  
16    well.

17          I see your point, but I'm not sure given your spec the broadest  
18    reasonable interpretation that you specifically define this payment slip that  
19    you're talking about.

20          MR. SCHREINER: Could I respectfully submit that taking into  
21    consideration the purpose of the invention, which is we're trying to move to  
22    an electronic-based system. So we're going to have all electronic  
23    presentment.

1           We're going to give the payer flexibility by allowing him to do  
2   electronic payment, or the flexibility and peace of mind that he can do  
3   paper-based payment in some instances.

4           Given the nature of the system and the whole goal is efficiency, I don't  
5   think it would make sense, given the purpose of the invention, for the  
6   remittance slip to be anything that has some data about the bill on it because  
7   that'll result in the payment processing errors that we talked about.

8           It is a big deal --

9           JUDGE MOHANTY: I don't disagree with what you've called the  
10   "goal" of the invention, but we're looking at the claimed invention.

11          MR. SCHREINER: Right.

12          JUDGE MOHANTY: That's where the discrepancy comes in. You  
13   can move on to the next point. We could go back and forth --

14          JUDGE FISCHETTI: Counsel, we're running close to the end, so if  
15   you could sum up.

16          MR. SCHREINER: Let me try to make any other points I can make  
17   then. Hogan does not show an electronic bill presentment that includes a  
18   printable remittance slip. Hogan certainly doesn't include an electronic  
19   transmission. It includes the means for either electronic payment or paper-  
20   based payment. That's not found in any of these references.

21          If you look at every one of these references: Hazeltine, Hogan, Hilt  
22   and Schutzer, every single one of them have passages that teach away from  
23   paper-based payment.

24          They're adamant about it and very opposed to the notion of a system  
25   that would continue to support paper-based processing, much less one that

1 would provide an electronic presentment with the option of paper-based  
2 processing, as well as electronic payment processing.

3 I urge the Board to reconsider some of the passages in the  
4 specification regarding the remittance. I do think it's broadest reasonable  
5 interpretation, but I think it's in light of the specification.

6 Given the specification passages, the one I mentioned and others in  
7 there, as well as the objects of the invention, I think the only reasonable  
8 interpretation of the remittance bill is it's a proper remittance bill that can be  
9 processed as it's supposed to be and not just any old piece of paper that's  
10 thrown in to an envelope accompanying a check.

11 JUDGE FISCHETTI: Any other questions?

12 Thank you, Counsel.

13 MR. SCHREINER: Could I read the one passage from Hilt?

14 JUDGE FISCHETTI: Sure.

15 MR. SCHREINER: I've done a lot of work in this area of lock box  
16 processing and what not, so I'm pretty sensitized to some of those issues.

17 JUDGE FISCHETTI: Sure. This is with the respect to the calamity  
18 that it causes in the billing processing?

19 MR. SCHREINER: Right. In Column 1 of Hilt, it talks about the  
20 prior art paper-based approaches. It states: "Billers who are often billing  
21 small amounts with each transaction must incur the cost of processing many  
22 checks, which includes opening envelopes, data capture, consumer's account  
23 number, Micker reading and so forth.

24 "To ensure the cost of processing an item is small, billers have set up  
25 huge operations for remittance processing, often outsourcing the work to



1 lock box operations, which process and deposit the payments for the biller,  
2 supplying the biller with captured consumer data and Micker encoded  
3 checks for deposit."

4 Then it goes on to say: "Given the economies of scale, a biller has  
5 great incentive to reduce the amount of remittance processing. More  
6 significantly, the biller has an even larger incentive to reduce the cost of  
7 exception items.

8 "An exception item is a payment which, for some reason, cannot be  
9 processed according to the highly automated procedures put in place by the  
10 biller to quickly process remittances. Exception items include checks  
11 received without payment coupons, payment coupons received without  
12 checks," et cetera.

13 I respectfully submit that since Hilt is talking about an automated lock  
14 box remittance processing system that when he's referring to a payment  
15 coupon, he's referring to a proper payment coupon. A proper one having the  
16 proper data in the proper layout.

17 Just as Applicant has claimed with the remittance slip that's recited in  
18 the claim. Again, not just any piece of paper that has some information  
19 about a bill.

20 I thank you for indulging me with the additional time.

21 JUDGE FISCHETTI: No problem.

22 MR. SCHREINER: Have a good day.

23 JUDGE FISCHETTI: You likewise. Thank you.

24 (Whereupon, the proceedings at 2:23 p.m. were concluded.)